

1 SENATE BILL NO. 288

2 INTRODUCED BY COONEY

3 BY REQUEST OF THE GOVERNOR

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT SPECIFYING THE CONDITIONS UNDER WHICH THE LOANS TO
6 STATE AGENCIES MAY BE MADE UNDER THE MUNICIPAL FINANCE CONSOLIDATION ACT; AND
7 PROVIDING AN IMMEDIATE EFFECTIVE DATE."
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9 WHEREAS, the Legislature has previously authorized various state agencies to borrow from the
10 program authorized under the Municipal Finance Consolidation Act of 1983, Title 17, chapter 5, part 16, MCA,
11 and commonly known as the INTERCAP program; and

12 WHEREAS, some of these previously authorized loans may constitute state debt; and

13 WHEREAS, the Legislature desires to establish parameters for the future use of the INTERCAP program
14 by state agencies to ensure that loans are properly authorized.
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16 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
17

18 NEW SECTION. Section 1. Specific loan authorization. The legislature intends that individual state
19 agencies may borrow from the program established in this part, as specifically authorized by the legislature
20 under the following conditions:

21 (1) A loan for which the security is an enterprise or internal service fund source may be approved by
22 a simple majority vote of the legislature.

23 (2) A loan for which the security is a general fund appropriation, a general fund revenue source, or any
24 type of tax or fee imposed by the legislature must be approved by a two-thirds vote of the members of each
25 house of the legislature and must include language authorizing the creation of a state debt under Article VIII,
26 section 8, of the Montana constitution.
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28 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
29 integral part of Title 17, chapter 5, part 16, and the provisions of Title 17, chapter 5, part 16, apply to [section 1].
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1 NEW SECTION. **Section 3. Effective date.** [This act] is effective on passage and approval.

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